

Issues

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The Dynamics of Diversity: **Managing The Workforce Of The Future**

It comes as no surprise to most employers that the makeup of today's workforce is changing dramatically and will continue to change into the next century. Some demographers predict that of 25 million people expected to join the nation's labor force in the next 11 years, an estimated 85 percent will be minorities - a variegated mix of Blacks, Hispanics, Asians, American Indians and Pacific Islanders — as well as American-born women, and that 1 out of 4 will probably be an immigrant.

Although similar specific projections for Rhode Island's labor force of the future are not generally available, demographers accept national ratios as applying to Rhode Island as well. What is known however, is the dramatic increase in the state's nonwhite population in recent years. According to the 1980 Census for Rhode Island, the state's population in 1980 was 947,154 of which an estimated 50,462 or 5.3 percent was nonwhite. According to 1985-2000 population projections made by the Rhode Island Statewide Planning Program in 1987, 11 years from now, in the year 2000, it is estimated that the state's total population will be 1,014,306 of which 72,731, or 7.2 percent will be nonwhite.

Employers increasingly are realizing that to the extent they can draw upon all their employees and minimize individual alienation, they can gain strategic advantages. Learning how to capitalize on the effects of the predicted demographic shifts demands a new management approach, which is often called "management diversity."

Little Cultural Exposure

Although white males are expected to comprise only 15 percent of the net additions to the labor force between 1985 and 2000, many of today's managers tend to be white males who grew up with little exposure to people from other cultures. For them "managing" traditionally has meant working with a homogeneous, white male workforce. Generally accepted management techniques, however, have become taboo in a multi-cultural environment. For example, in some training programs managers are encouraged to touch their employees, but certain ethnic groups, as well as women generally, may take offense if their supervisors touch them.

Learning how to manage diversity is regarded by many managers as an economic issue, not simply an ethical one. Tensions among racial and ethnic groups can result in lower productivity, lead to higher absenteeism and turnover, and, in the worst cases, end in racial and sexual discrimination and harassment lawsuits.

Beyond these considerations, however, many employers view diversity as an asset. Such employers believe that achieving a successful multi-cultural environment will help to give them a competitive edge

not only by hiring and retaining the best of the new labor pool, but by meeting the needs of the future marketplace.

Unlike affirmative action, which was considered a social, moral, and legal responsibility, managing diversity is a business issue. Employers are beginning to understand that they cannot afford to underutilize or alienate a significant portion of their workforces.

Many employer policies are based on "pipeline" reasoning. These employers think that if they can fill the "pipeline" with qualified minorities and women who will perform and accommodate themselves to the organization's criteria, they will solve their upward mobility problem. This kind of perspective generates a "self-perpetuating, frustrating" cycle. Organizations that place their emphasis on recruitment may end up with a larger number of minorities and women at entry and lower managerial levels, and a limited number in upper level, "high profile" positions. This results in frustration for management, as well as for women and minority employees. Minority groups become upset because they perceive themselves as "plateauing prematurely." Alienated minorities and women either leave or stagnate, and executives become disturbed that their affirmative action push is not paying off as anticipated. Moreover, a significant amount of racism and sexism remains.

Minimizing Alienation

Executives realize that such a self-perpetuating cycle is too costly, and that they must draw upon the potential of all their employees. The following guidelines can help employers in creating environments that successfully accommodate employee diversity:

- Expand the agency focus, from that of assimilating women and minorities into a dominant white male culture, to that of creating a heterogeneous culture that fosters the full participation of all individuals.
- Develop and convey realistic understandings of the upward mobility process. This requires examining the political and cultural proficiency expectations of the agency to ensure that they are nondiscriminatory.
- Provide training for managers, particularly white male managers, to enable them to cope with the dynamics of diversity.
- Conduct inquiries concerning boss-subordinate relationships in a diverse workplace and the career experiences of various ethnic and racial groups.
- Recognize that learning to manage diversity is essentially a "change process." Develop "multi-faceted, multi-intervention, multi-year, phased plans," with provisions for periodic monitoring and evaluation.

RECRUITING WORKERS WITH DISABILITIES

An Untapped Resource

Employers spend thousands of dollars each year to develop new recruiting strategies to fill a growing number of positions from an ever-shrinking labor pool. At the same time, the nation's 13 million working-age disabled adults are more likely to be out of the labor force than in it. How can these potential workers and employers be brought together?

Two thirds of all unemployed working-age adults with disabilities report that they want to work, but employers interested in hiring these individuals often have problems locating and recruiting them. Recruiting resources are available, however

Public-Private Partnerships

Of the firms responding to a recent nationwide poll, 25 percent cited the Job Training Partnership Act (JTPA) as helpful in recruiting disabled workers. JTPA features Private Industry Councils that identify both business needs and area training programs that could provide skilled job applicants. The trainers agree to prepare qualified individuals to perform specific kinds of work by an agreed upon date; in return, the businesses agree to offer a job to applicants who meet their criteria. In the Rhode Island JTPA program, 8 to 10 percent of the trainees are disabled persons.

Projects with Industry is another example of public-private cooperation. Sponsored by the U.S. Department of Education, PWI is a partnership of companies and government, as well as labor. Industry representatives identify jobs in which the most dramatic growth is anticipated, and nonprofit organizations, with federal funding, train disabled persons to fill those jobs.

Tax incentives for employer that hire the disabled are also a form of public-private cooperation. Targeted Jobs Tax Credit gives employers a credit against first-year wages paid to the newly hired worker, and is available to private employers that create job opportunities for persons who have had difficulty obtaining employment.

State Agencies

The nation's 84 state rehabilitation agencies are one of America's oldest job training programs. They spend more than \$1.3 billion to prepare thousands of disabled individuals for competitive jobs in the national's labor force. Most services of these state agencies are offered free of charge to employers, including information and referral, training, and often, equipment, to make reasonable accommodations for disabled workers possible.

State agencies also engage in "supported employment," in which a job coach or other aide works side-by-side with a severely disabled individual during the first weeks on the job. Supported employment guarantees that the job will be performed successfully, even if the coach has to do much of it initially.

Veterans' and Private Placement Programs

Employers also can find disabled workers through their local Veterans Administration offices. The VA assists industry representatives willing to employ well-qualified physically rehabilitated or mentally restored veterans.

In addition, some private employment agencies specialize in finding jobs for disabled persons. The Hope Rehabilitation Services of San Jose, California, for example, finds suitable employment for developmentally disabled individuals. The agency matches the employer's needs with those of its clients. In New York City, Just One Break (JOB) sponsors "job fairs." Because of the preparation that is done beforehand, JOB reports a 40 percent placement rate at its annual fairs. JOB carefully screens its disabled clients in advance of a job fair, and identifies those that are specifically qualified for openings that have been announced by companies planning to attend, then sends resumes to prospective employers in advance.

Another private organization, the Electronic Industry Foundation, brings together a network of 700 community organizations and 500 companies in eight states. This manufacturers' association specializes in demonstrating ways small firms, which predominate in electronics, can recruit workers with disabilities to fill labor shortages.

Other resources for finding disabled workers include colleges and universities and rehabilitation facilities.

INTERPRETER SERVICES INITIATED BY AGENCIES FOR THE DEAF

The Rhode Island Commission on the Deaf and Hearing Impaired in conjunction with the Rhode Island Registry of Interpreters for the Deaf have installed a new "800" sign language interpreter referral telephone system that is available 24 hours a day, 7 days a week.

The number is **1-800-525-0770** (voice), **861-6677** telecommunication device for the deaf (TDD).



State and municipal agencies **must** provide interpreter services **upon request** for individuals with hearing impairments, at public hearings, intake interviews, meetings, bid openings, job interviews, and any event or activity where verbal communications takes place. This service must be provided in order to comply with Article I Section 2 of the Rhode Island Constitution, as well as Title 42 Chapter 87 of the General Laws of Rhode Island — Handicapped Discrimination, and Title V Section 504 of U.S. Public Law 93-112, the Rehabilitation Act of 1973 as amended. Agencies may require prior notification of up to 72 hours, so they can make arrangements for an interpreter for the deaf. If they do so, that requirement must be clearly stated on public notices, in all correspondence, invitations to meetings/workshops, etc., along with the procedure for reaching that agency (including the agency's TDD or telecommunication device for the deaf telephone number).

Callers to the new referral service, provided by the Commission on the Deaf and Hearing Impaired (an Executive Department Agency), and the Registry of Interpreters for the Deaf (a private non-profit association), will be connected to an answering machine. They should leave a message which includes: the contact person(s) name and phone number; agency requesting the service (financing party); date, time and place the interpreter will be needed; a brief description of the interpreting situation (meeting, interview, hearing, etc.); and client's name. The interpreter service will respond during normal working hours.

HELP FOR BEREAVED EMPLOYEES

The death of a member of an employee's family or of a close friend can have a profound effect on the workplace. Helping employees who experience such personal loss requires an understanding of what to do when the worker first learns of the death and how to treat the worker during the weeks that follow.

The supervisor may be first to receive news of the death and have the responsibility of informing the employee. In such cases, the employee should be told of the death in private, since it is likely that the news will be upsetting. If possible, a friend from the job should be standing by to offer support. The supervisor should ensure that the worker gets home or to the hospital safely, as the employee may be too distraught to drive or use public transportation.

For the first weeks of the employee's grieving period, the supervisor should be accommodating. The employee may suffer a reduction in productivity, have difficulty concentrating, and show signs of depression. After six to eight weeks, the employee should be gradually improving and be almost back to normal. If the grieving period extends much beyond this point, the supervisor may want to consult with the Rhode Island Employee Assistance Program (33 College Hill Road, Warwick, RI 02886 (401) 828-9560) to determine whether the employee needs professional help.

AVOIDING HANDICAP BIAS IN JOB DESCRIPTION

Employers are increasingly finding that many job descriptions need to be rewritten so that they do not automatically screen out applicants with physical or mental disabilities. A key part of this revision process is a detailed job analysis.

Clearly discriminatory language that would exclude individuals on the basis of their handicap obviously should be omitted. In addition, when subjective criteria are used to make employment decisions, the "gray areas" should be clarified in order to reduce the burden on the interviewer and prevent possibly discriminatory decisions. The following steps are recommended for employers who are writing or rewriting job descriptions:

- List the essential job qualifications, describing what the employee does, the exact nature of the tasks performed, how the tasks are done, what procedures are followed, and what materials and equipment are used.
- Evaluate the education, training, and experience required to do the job. Requirements should be realistic to ensure proper performance, but not designed to exclude applicants.
- Select and identify those aptitudes that are significant to the job, and relate them to specific work situations. Aptitudes may include motor coordination, finger dexterity, manual dexterity, verbal abilities, and form perception.
- State clearly in the job description what physical demands are made on the workers — whether they are required to stand, sit, climb, lift heavy objects, talk, hear, see, or feel.
- Show the relationship of the job to others in the department or office, and describe the lines of authority and areas of responsibility. In addition, indicate the promotional possibilities available to the employee.
- Describe the surroundings in which the job is performed and list any hazards to which employees might be subjected in performing the job.

LABOR TASK FORCE REPORT STRESSES NEED TO RETAIN OLDER WORKERS

Employers will need to retain and recruit older employees through restructured benefits packages and personnel policies, according to a report released by the Labor Department's Older Worker Task Force.

Moreover, public policy should not prevent employers from responding to recruitment and retention challenges, since demographic trends indicate that the pool of older individuals will increase during the next decade while the pool of younger workers shrinks, the report said.

"Positive personnel policies" can attract older employees and at the same time retain those already in place, according to the task force report, *Key Policy Issues for The Future*. Examples of positive policies include flexible work options like part-time schedules, sabbaticals, job-sharing, and volunteer time.

The report also stressed the importance of dissolving barriers that discourage older workers from remaining in the labor force, such as "30 and out" retirement plans and other pension policies.

"The defined benefit plan has strong incentives to stay until eligibility for early retirement and leave at normal retirement age. This is because the value of the pension accrues most rapidly near retirement and is not adjusted actuarially for work after normal retirement age," the report stated.

Pensions should be made more portable through dual defined benefit and defined contribution plan coverage, and the development of new forms of coverage that feature some of the most desirable characteristics of both types of plans, the report recommended. For example, defined benefit plan sponsors could replace the powerful early retirement incentives with attractive pension subsidies for workers who delay retirement until later. Those with defined contribution plans could provide bonuses to those who retire at later ages.

The report listed several case studies of employers attempting to address their needs through a variety of methods. For example, a mid-western company induced older employees to remain by providing graduated increases in vacation time, insurance, pension benefits, and surviving spouse benefits based on age and years of service. A New England employer encourages employees to participate in a "rehearsal retirement program" wherein they reduce their work hours to do voluntary community service while still receiving full pay and benefits.

The Social Security program still provides an economic disincentive to work past 65, despite amendments to the Social Security Act to make benefit payments actuarially fair for work past normal retirement age, the report stated. The earnings test represents "a significant tax on work," said the task force, estimating that it has affected the labor force attachment decisions of between 350,000 and 2 million individuals.

The report said the problem could be ameliorated either by eliminating the test, by raising the income threshold to which it is applied, or by speeding up the full phase-in of the delayed retirement tax credit. However, the report warned that eliminating the test's effects could prove expensive, and advised policy makers to balance the cost of changing Social Security with the economic costs of reduced labor participation.

AVOIDING WRONGFUL DISCHARGE SUITS

Wrongful discharge claims have succeeded in getting employers to establish personnel policies to deal with employee problems without resorting to discharge, according to a west coast employee relations consultant. Personnel policies resulting from the threat of wrongful discharge claims include the use of progressive discipline and improved employee selection practices.

To avoid wrongful discharge suits, employee relations experts recommend that employers adhere to the following:

- Never fire a personnel manager.
- It is usually "penny wise and pound foolish" for an employer to oppose an unemployment insurance claim by a discharged employee.
- Don't push discharged employees to the wall by forcing them to sign an agreement releasing any legal claims against the employer.
- Never terminate a long-term employee, unless there is evidence of criminal wrongdoing.
- Don't violate either the letter or the spirit of personnel policies.
- Don't terminate an employee for poor performance unless it can be documented thoroughly and the employee has received notice of the poor performance.
- Don't blindly listen to a line supervisor's account of the reasons for a termination without getting information from other sources.
- Don't look for "panaceas," such as lie detectors and drug testing, as substitutes for good background checks and evaluations of applicants and employees.
- Don't ignore employee grievances.

ISSUES

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STATE OFFICIALS APPOINTED TO NATIONAL COMMITTEES

Two prominent members of Rhode Island state government have been tapped to serve on important committees of the National Association of State Directors of Administration and General Services (NASDAGS).

Personnel Administrator Bradford E. Southworth, President of the National Association of Personnel Administrators (NASPA), has been appointed to NASDAGS' Advisory Committee to the Center for Management and Administration. The committee has been established to:

- Provide guidance to the Center for Management and Administration on matters pertaining to state government administration;
- Develop management strategies for responding to crucial issues in state government administration;
- Develop guidelines for the interaction of affiliated, cooperating and adjunct organizations with the Center;
- Serve as a clearing house for information on issues of concern to state government administrators;
- Provide oversight and advice to the Center for Management and Administration on Center policies, procedures, and activities; and
- Serve as a communication vehicle among and between the Center for Management and Administration, the affiliated, cooperating and adjunct organizations of the Center and other interested parties.

Deputy Director of Administration Edmond Coletta is serving on NASDAGS' Interstate Consulting Committee.

Initiated by the Council of State Governments in 1971, the work of the Interstate Consulting Committee has been undertaken as a special project of NASDAGS for 1989.

The Interstate Consulting Committee renders fast, affordable, practical advice on how to solve problems in state government. The committee brings together the experience and talent of seasoned veterans from within state government to help solve management problems. Recommendations are impartial, and experience-based. Under the expertise of state government officials, recommendations take into account realities of cost, timetables for change, and legislative/executive relationships.

All projects undertaken by the Interstate Consulting Committee are coordinated by the staff of the Council of State Government.

TIME LAG IN JOB POLICIES TOWARD WOMEN

Almost 75 percent of American women in their prime child-bearing years are in the workforce, but employer policies do not yet reflect the reality of this situation, according to a study conducted by 9to5, the National Association of Working Women.

"Women are working because they have to, to put bread on the table," Deborah Meyer, 9to5's associate director tells BNA. However, she adds, "a whole range of employment policies" are lacking — from equal pay to subsidized child care.

'Working Family Policies' Needed

The current workforce includes 53.6 million women, an increase of half a million since 1986, Meyer says. By the year 2000, three out of every five new workers will be female, she predicts, noting that this shift will bring with it an increasing demand for "working family policies."

"When you look at workplace policies, it's as if employers live in a nostalgic dream of the 1950s, when Dad goes out to work every morning and Mom stays home to take care of the kids," says 9to5 director Karen Nussbaum. "But workers don't live there anymore," she insists, noting that husbands are the sole support in only 19 percent of all married couples and in only 12 percent of all families with dependent children. Moreover, 25 percent of all working mothers have husbands who earn less than \$10,000 a year, Nussbaum points out.

Employers are not doing their part to help U.S. working families, Nussbaum says. Three out of five working women have no maternity leave, and just 11 percent of employed women have flexible work schedules. In addition, the 9to5 survey finds that while 71 percent of mothers with children under 18 are working full-time, only 0.5 percent of the nation's 6 million businesses help employees with child care.

Clerical Wages Lag

In conducting its survey, 9to5 finds that clerical workers — 80 percent of whom are female — earn \$2 less a week in real terms than they did in 1968, while workers overall are earning \$2 a week more. Two out of three minimum wage earners are women and more than one-third of all families headed by women have incomes below the poverty level, the survey reports.

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Deferred Compensation — an employee benefit with far-reaching advantages . . .

State employees can save for the future by participating in the deferred compensation program, a way of putting money aside without having to pay taxes on it, or the income it earns, until retirement when your tax rate is usually lower. Managers can assist their employees in learning more about deferred compensation by showing them an audio-visual presentation that clearly explains the deferred compensation program. To arrange to show this slide-tape production, call the Employee Benefits Section, Office of Personnel Administration at 277-3160.

This newsletter is sponsored by the state's three carriers of the deferred compensation plan.



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